

**HARMAN PROFESSIONAL
MINIMUM ADVERTISED PRICE (MAP) POLICY
DISTRIBUTOR ACCOUNTS**

**EFFECTIVE: SEPTEMBER 1, 2010
(Supercedes All Previous Versions)**

**VALID FOR:
ALL CUSTOMERS/DEALERS OF AUTHORIZED HARMAN PROFESSIONAL
DISTRIBUTORS**

**INCLUDES:
MAP POLICY
ADVERTISING GUIDELINES
QUESTIONS AND ANSWERS**

MAP POLICY

Introduction

Harman Professional hereby unilaterally announces its Minimum Advertised Price Policy ("MAP Policy"). Harman Professional has unilaterally determined that in order for its products to compete with other brands in the marketplace on the basis of total value, including quality, features, after-sale support, and price, it must ensure that its products are properly positioned in advertising of all types, including, without limitation, print, radio, and TV, online and Internet communications (e.g., e-mail, web sites, and auctions), catalogs, direct-mail advertising, outdoor advertising, phone solicitations by dealers, advertising stuffers in monthly statements, and other media (collectively, "Advertising"). Thus, Harman Professional has unilaterally established a MAP policy for its products.

Application

This MAP Policy shall apply to all dealers that are customers of Authorized Harman Professional Distributors ("Dealers"). The specific products subject to the MAP Policy ("MAP Products") and the corresponding minimum advertised price ("MAP") will be identified in the Authorized Harman Professional Distributors' applicable price lists and periodic Harman Professional policy bulletins.

The MAP Policy does not apply to advertisements of:

- "Discontinued" MAP Products. A MAP Product shall be considered discontinued under the MAP Policy only if such product does not appear on the current Harman Professional price list or is specifically listed as discontinued in a written Harman Professional policy bulletin or announcement.
- "B Stock" and "Demo" Units of MAP Products, but only if (i) Dealer receives prior written confirmation from Harman Professional that each unit qualifies as "B Stock" or "Demo," and (ii) the advertisement clearly and conspicuously states that each unit is "B Stock" or "Demo," as appropriate.
- "Used" Units of MAP Products, but only if (i) each unit was previously owned (or rented by) and used by an end-user customer, and (ii) the advertisement clearly and conspicuously states that the product is "Used."

Harman Professional may make changes, as it sees fit, to the MAP Policy and add or remove MAP Products or change the MAP, temporarily or for the foreseeable future.

Operation

Harman Professional reserves the right to unilaterally suspend or revoke a Dealer's designation as an Authorized Harman Professional Dealer with respect to some or all Harman Professional products (as further set forth below), with or without cause and in its sole and absolute discretion, if such Dealer advertises MAP Products at less than the current MAP (except as specifically permitted by Harman Professional in applicable promotions or policy bulletins).

Please review the Advertising Guidelines further below for examples of advertisements that are and are not consistent with the MAP Policy.

Advertising MAP Products with stated prices below MAP (netted-down prices included, whether or not the ad explicitly states the netted-down price) within any Harman Professional brand will result in an indefinite suspension of Dealer's status as an Authorized Harman Professional Dealer for all Harman Professional products under such brand (including suspension of all unfilled existing and new orders and shipments).

This MAP Policy pertains only to advertised prices of MAP Products and does not relate to the actual sales price of such MAP Products.

Harman Professional does not seek, nor will it accept, any written or oral, formal or informal, agreement with any of its Dealers regarding the prices that a Dealer may advertise or charge at any time for Harman Professional products.

Harman Professional neither solicits nor accepts any written or oral, formal or informal, agreement or assurance of compliance with this MAP Policy. Harman Professional will not discuss any conditions of acceptance of this MAP Policy, as it is non-negotiable and will not be altered for any Dealer. Nothing in this MAP Policy shall constitute an agreement between Harman Professional and any Dealer that the Dealer will comply with this MAP Policy.

Violations of this MAP Policy will be strictly enforced. Harman Professional personnel have no authority to discuss, modify, or grant exceptions to this MAP Policy. All questions regarding this MAP Policy should be directed to Harman Professional MAP Policy Administration:

- e-mail: hpromapadmin@harman.com
- fax: (866) 849-1102

Please review the "Advertising Guidelines" and "Questions and Answers" for more details and information regarding this MAP Policy.

ADVERTISING GUIDELINES

The following are examples of advertisements that are and are not consistent with Harman Professional's MAP Policy. These examples are not exhaustive, and Harman Professional reserves the right to make its own unilateral determinations as to whether a particular practice is consistent with this MAP Policy, to change these examples, and to modify or amend the MAP Policy with respect to specific MAP Products and MAPs.

All references to prices in these guidelines are to advertised prices only, not selling prices.

<p>ADVERTISEMENTS CONSISTENT WITH MAP POLICY</p>	<p>ADVERTISEMENTS NOT CONSISTENT WITH MAP POLICY</p>
<p>An ad stating a price at or higher than the MAP for that specific MAP Product.</p>	<p>An ad stating a price lower than the MAP price that specific MAP Product, regardless of whether it is a one-time, "X hours only," Grand Opening, or other temporary sale.</p>
<p>"Price too low to print."</p> <p>"Call for price."</p> <p>Advertising that generally promises to match or beat the advertised prices of the competition.</p> <p>Pricing that is communicated by individually addressed e-mail or phone call to a specific user/customer that has requested a price quote.</p>	<p>MAP shown with a line through it, strikethrough, cancel sign, or other indication, sign, or symbol indicating a price below the MAP.</p> <p>For Internet/WWW e-commerce web sites, showing a price below the MAP on any web page, popup, or window prior to the final "checkout" page that requires payment information. This includes, without limitation, "Click for Price," "Show Price," "Add to Cart for Price," "Place in Cart for Price," "Checkout Now," or similar links or buttons that show a price below the MAP upon clicking, rolling-over, or other activation, whether or not such activation navigates the user to a cart or any other page or window, unless it is the actual final checkout page that requires payment information.</p>
<p>Advertisements (applicable to MAP Products) that offer:</p> <ul style="list-style-type: none"> • \$X or X% off on total purchases • X% off any item • Instant rebates or discounts • Other storewide or category-wide discounts <p><u>if:</u> (a) the offers are <u>not limited</u> to Harman Professional products or brands, <u>and either</u> (b)(i) specific Harman Professional product models are <u>not shown</u> in the ad, <u>or</u> (b)(ii) specific Harman Professional product models are <u>shown</u> in the ad, but <u>without</u> (1) a netted-down price below the MAP, or (2) a regular price that would result in a netted-down price below the MAP after application of the offer, whether or not the ad actually states the netted-down price.</p>	<p>Advertisements (applicable to MAP Products) that offer:</p> <ul style="list-style-type: none"> • \$X or X% off on total purchases • X% off any item • Instant rebates or discounts • Other storewide or category-wide discounts <p><u>if:</u> (a) the offers are <u>limited</u> to Harman Professional products or brands, <u>or</u> (b) the offers are <u>not limited</u> to Harman Professional products or brands, <u>and</u>, specific Harman Professional product models are <u>shown</u> in the ad <u>with</u> (i) a netted-down price below the MAP, or (ii) a regular price that would result in a netted-down price below the MAP after application of the offer, whether or not the ad actually states the netted-down price.</p> <p>Examples:</p>

<p>ADVERTISEMENTS CONSISTENT WITH MAP POLICY</p>
<p>Examples:</p> <ul style="list-style-type: none"> • “Purchase any amplifier and get a \$50 instant rebate.” No specific Harman Professional products or prices referenced. • “Purchase any Crown, Brand A, or Brand B amplifier and get a \$50 instant rebate.” No specific Harman Professional products or prices referenced. • “Purchase any amplifier and get a \$50 instant rebate.” A specific Harman Professional product with a \$299.95 MAP is shown at a regular price of \$399.95, with a final price after rebate of \$349.95.
<p>Free shipping, free installation, low interest financing, or other services along with the purchase of a Harman Professional MAP Product, provided that the ad does not show/subtract the value of the service along with/from the regular price to indicate a netted down price below the MAP, whether or not the ad actually states the final netted-down price.</p>
<p>For Mail-In Rebates Paid Directly by Harman Professional:</p> <ul style="list-style-type: none"> • The advertised, netted-down, after-rebate price is equal to or greater than the MAP less the rebate, whether or not the ad actually states the final netted-down price or just shows the regular price and the rebate amount, <u>and</u> • The words “mail-in rebate” are prominently placed in the ad, and the amount of the rebate and Harman Professional’s funding or direct payment of the rebate are clearly indicated. <p>Example: “Crown ITech: \$299.95 after manufacturer’s mail-in rebate of \$50,” where ITech MAP is \$349.95.</p>
<p>Two or more Harman Professional MAP Products advertised for one price, if the total price is greater than or equal to the sum of the individual MAP prices.</p> <p>Example: Products A and B have MAPs of \$399.95 and \$299.95, respectively. If they are advertised for one price, and the advertised price is greater than or equal to \$699.90, then the ad is consistent with the MAP Policy.</p>

<p>ADVERTISEMENTS NOT CONSISTENT WITH MAP POLICY</p>
<ul style="list-style-type: none"> • “Purchase any Crown amplifier and get a \$50 instant rebate” or “Purchase any mixer and get a \$50 instant rebate on any Crown amplifier.” Offer limited to Harman Professional brand or products. • “Purchase any amplifier and get a \$50 instant rebate.” Crown ITech is shown at \$279.95 after instant rebate, where the MAP for the ITech is \$299.95. • “Purchase any amplifier and get a \$50 instant rebate.” Crown ITech is shown at a regular price of \$329.95 with a \$50 instant rebate, where the MAP for the ITech is \$299.95.
<p>Free products, gifts, or other items with the purchase of a Harman Professional MAP Product.</p> <p>Free Harman Professional MAP Product with the purchase of another Harman Professional product or any other product.</p>
<p>For Mail-In Rebates Paid Directly by Harman Professional:</p> <ul style="list-style-type: none"> • The advertised, netted-down, after-rebate price is less than the MAP less the rebate, whether or not the ad actually states the final netted-down price or just shows the regular price and the rebate amount, <u>or</u> • The words “mail-in rebate” are not prominently placed in the ad, or the amount of the rebate and Harman Professional’s funding or direct payment of the rebate are not clearly indicated. <p>Example: “Crown ITech: \$249.95 after manufacturer’s mail-in rebate of \$50,” where ITech MAP is \$349.95.</p>
<p>Two or more Harman Professional MAP Products advertised for one price, if the total price is less than the sum of the individual MAP prices.</p> <p>Example: Products A and B have MAPs of \$399.95 and \$299.95, respectively. If they are advertised for one price, and the advertised price is less than \$699.90, then the ad is not consistent with the MAP Policy.</p>

QUESTIONS AND ANSWERS

QUESTION	ANSWER
What is "MAP?"	MAP stands for Minimum Advertised Price. MAP Policy refers to this unilateral Minimum Advertised Price Policy, which began on the effective date listed on the cover sheet of the Minimum Advertised Price Policy documents.
Why did Harman Professional implement this MAP Policy?	<p>Harman Professional's objective is to have its products compete with other brands in the marketplace on the basis of total value, including quality, features, after sale support, and price. Harman Professional has established this MAP Policy in an effort to ensure the long-term viability of its brands and to help protect the investment of those Dealers that provide valuable services to their customers.</p> <p>Harman Professional feels that a written policy best serves the interests of its Dealer network as a whole. Harman Professional's products consist of high performance, high quality audio equipment whose premium image has been well earned through extensive product and market development activities and through superior customer service.</p>
How does MAP work?	Harman Professional has always exercised the right to select its dealer network. In doing so, it considers a number of factors, including advertised pricing. Harman Professional has unilaterally implemented this MAP Policy and has determined specific minimum prices at or above which it believes Dealers should advertise its MAP Products in order to remain Authorized Harman Professional Dealers. Harman Professional has the unilateral right to deal with Dealers who choose to operate consistently with this MAP Policy, and to not deal with those Dealers who choose not to operate consistently with the terms of the MAP Policy.
Does this mean that a Dealer must agree to advertise at or above the MAP?	No. Harman Professional is not requiring its Dealers to agree to the MAP Policy or its requirements and will not enter into any such agreements or entertain any offers of such agreements. Harman Professional has unilaterally implemented the MAP as its own policy, and advises Dealers that, in unilaterally determining a Dealer's eligibility to continue as an Authorized Harman Professional Dealer, Harman Professional will consider whether a Dealer chooses to operate consistently with the MAP Policy.
What happens if a Dealer chooses to advertise MAP Products below the MAP?	Dealers may choose to advertise below MAP. However, in that event, Harman Professional will, in its sole and absolute discretion, unilaterally suspend or revoke such Dealer's designation as an Authorized Harman Professional Dealer with respect to some or all Harman Professional products (as set forth in the MAP Policy), including suspension or revocation of all unfilled existing and new orders and shipments.
Can Harman Professional change the MAP on a product during the fiscal year?	Yes. Harman Professional reserves the right to change the MAP on a MAP Product and to temporarily or permanently add or remove MAP Products. Dealers will be notified in writing, via email, or other specified methods of any changes, typically through their Authorized Harman Professional Distributor.
What advertising or other communications with customers are subject to the MAP Policy?	All advertising messages that are Dealer-initiated and use the media or are aimed at more than one person are included in the MAP Policy. Besides print, radio, and TV, this would include <u>online and Internet communications</u> (e.g. e-mail, web sites, and auctions), catalogs, direct-mail advertising, outdoor advertising, phone solicitation by a Dealer, advertising stuffers in monthly statements, and other media. Please see the Advertising Guidelines for more details.

QUESTION	ANSWER
What kinds of communications with customers are not subject to the MAP Policy?	In-store signs are not considered to be using media. Answers to price questions directed to specific customers who have made or sent inquiries or requests for price to a Dealer are considered consumer-initiated. Both of these are considered “offers for sale,” not advertising.
Does the MAP Policy apply to a Dealer’s actual selling prices?	No. The MAP Policy only applies to prices in Advertising.
Will a Dealer that chooses not to follow the MAP Policy be warned?	No. Harman Professional will not provide any advance warning.
If a Dealer tells Harman Professional that another Dealer has chosen not to operate consistently with the MAP Policy, may Harman Professional act on this information?	Yes. Harman Professional is solely responsible for enforcing its policy, and it may, in its sole discretion, investigate any reports. In addition, Harman Professional may use the services of one or more outside firms to conduct investigations and/or monitor advertising. If warranted, Harman Professional will unilaterally take the actions set forth in the MAP Policy with respect to a Dealer who has chosen not to operate consistently with the MAP Policy. Dealers may report violations to Harman Professional MAP Policy Administration. Harman Professional will not discuss its monitoring or investigative efforts with any Dealer, and Dealers should not discuss or inquire about such efforts. Dealers are also not permitted to undertake their own enforcement of this MAP Policy against other Dealers.
Once revoked, can a Dealer be reinstated as an Authorized Dealer?	It is possible for a revoked Dealer to be reinstated. However, the Dealer must not communicate with Harman Professional regarding Dealer’s advertising practices that are subject to the MAP Policy, discuss or give Harman Professional any assurances about its future advertising or pricing plans, or request any second chances from Harman Professional. The decisions whether and, if so, when to reinstate any Dealer as an Authorized Dealer for Harman Professional are in Harman Professional’s sole and absolute discretion, and Harman Professional will not consider nor accept any Dealer statements or input.
Where should I direct any additional questions about the MAP Policy?	All questions regarding this MAP Policy should be directed to Harman Professional MAP Policy Administration: - e-mail: hpromapadmin@harman.com - fax: (866) 849-1102